

Introduced by: Mayor
Date: 01/03/17
Hearing: 01/17/17
Action: Enacted as Amended
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2016-19-19**

AN ORDINANCE AUTHORIZING A \$2,000,000 INTERGOVERNMENTAL LOAN FROM THE GENERAL FUND AND APPROPRIATING FUNDS TO THE SOUTH PENINSULA HOSPITAL SERVICE AREA TO PROVIDE INTERIM FINANCING FOR IMPROVEMENTS TO THE HEATING, VENTILATING AND AIR CONDITIONING SYSTEM AT SOUTH PENINSULA HOSPITAL

WHEREAS, South Kenai Peninsula Hospital Service Area (“SKPHSA”) voters at the October 4, 2016 approved the issuance of general obligation bonds for improvements at South Peninsula Hospital; and

WHEREAS, bond proceeds are not expected to be available until sometime this spring; and

WHEREAS, the heating, ventilating and air conditioning (“HVAC”) system at South Peninsula Hospital is over 40 years old and is in need of replacement and part of the improvements planned to be completed with the bond proceeds; and

WHEREAS, in order to allow for construction to start in late winter, the borough administration is requesting that an intergovernmental loan of \$2,000,000 be provided to SKPHSA; and

WHEREAS, the intergovernmental loan would be paid off from bond proceeds when the SKPHSA General Obligation Bonds proceeds are received and appropriated; and

WHEREAS, at its meeting of January 17, 2017, the South Peninsula Hospital Inc. Finance Committee recommended approval; and

WHEREAS, the intergovernmental loan amount authorized by Ordinance 2016-19-02 of \$2.8 million and this ordinance in the amount of \$2 million shall be appropriated in the SPH Capital Project Fund;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

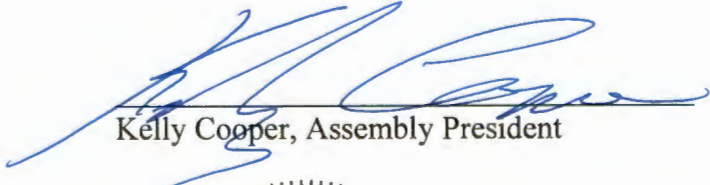
SECTION 1. That a \$2,000,000 intergovernmental loan is authorized for the SKPHSA and shall be accounted for in the General Fund, account 100.00000.00000.14121, and appropriated in the SPH Capital Project Fund to account 491.81210.16HVC.4999

SECTION 2. That the SKPHSA intergovernmental loan from the General Fund shall be reimbursed from bond proceeds when the bonds are received. The SKPHSA shall pay interest on the loan computed at the annual rate equal to prime in effect on the date of transaction. The loan is due in full when the bonds proceeds are received.


SECTION 3. That \$2.8 million intergovernmental loan previously authorized by KPB Ordinance 2016-19-02 is appropriated in the SPH Capital Project Fund to account 491.81210.16HMS.49999.

SECTION 4. That this ordinance takes effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 17TH DAY OF JANUARY, 2017.


Kelly Cooper, Assembly President

ATTEST:


Johni Blankenship, MMC, Borough Clerk



Yes: Bagley, Dunne, Fischer, Gilman, Hibbert, Holmdahl, Ogle, Welles, Cooper

No: None

Absent: None